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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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B-133044

RELEASED

JUNE 22, 1979

The Honorable William Proxmire  
Chairman, Subcommittee on HUD-  
Independent Agencies  
Committee on Appropriations  
United States Senate

SEN00306

Dear Mr. Chairman:

In your June 5, 1978, letter, you asked us to review the Veterans Administration's (VA's) graduate medical education (residency) program.

The enclosure discusses the extent to which VA has assumed responsibility for the graduate medical education of physicians and the effectiveness of VA's management of the program. Specifically, the enclosure describes (1) the authority for conducting graduate medical education in VA medical facilities, (2) the adequacy of VA's policies and regulations in guiding VA medical centers, and (3) the extent to which VA monitors the program to insure that it is administered properly.

Based on our review of residency activities at the Cincinnati and Dayton, Ohio, VA Medical Centers, improvements are needed in the overall management and administration of VA's residency program. At these medical centers we found that unclear VA regulations governing assignment and pay of residents resulted in

- ✓--residents being assigned without exchange or replacement to non-VA facilities for significant periods of time with no VA pay loss and
- ✓--residents participating in numerous educational activities in non-VA facilities at VA's expense.

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In many cases, ~~these two~~ <sup>AT B Gle</sup> medical centers assumed greater financial responsibility for training and educating residents than intended by existing VA regulations.

During our review, the VA central office did not maintain sufficient information to systematically evaluate pay and assignment practices for residents. Therefore, the extent that the regulations have been inconsistently applied throughout the VA health care system could not be determined. However, information recently developed by VA central office indicates that problems similar to those we noted at the Cincinnati and Dayton VA Medical Centers have occurred at other VA centers.

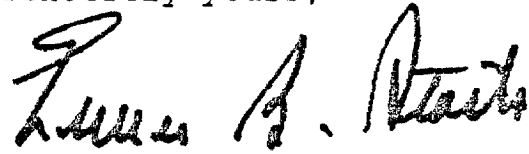
Accordingly, we recommend that the Administrator of Veterans Affairs:

- Revise existing regulations to clearly define VA central office and medical center responsibilities for resident training that insure accountability and control by VA medical centers.
- Consider eliminating the use of the educational detail provision for affiliated and associated residency programs.
- Establish an effective monitoring and reporting system to assure that VA centers administer their resident training programs consistently and VA receives an equitable amount of resident services in return for salaries paid.
- Take corrective action, as needed, at those medical centers where VA regulations on residency training programs are being inconsistently applied.

As instructed by your office, we did not request written comments from VA. However, a draft of the report was furnished to officials of VA's Department of Medicine and Surgery for review, and their comments have been incorporated, where appropriate.

Copies of this report are being made available to VA. However, as agreed with your office, we will not release this report for 10 days unless you approve its release or make its contents public. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Luther A. Smith". The signature is written in a cursive style with a large initial "L".

Comptroller General  
of the United States

Enclosure

ASSIGNMENT AND PAYMENTPRACTICES FOR MEDICAL RESIDENTSIN VETERANS ADMINISTRATION MEDICAL CENTERS

In a June 5, 1978, letter, the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, asked us to review the Veterans Administration's (VA's) graduate medical education (residency) program. <sup>1</sup>/ The Chairman expressed particular interest in determining the extent that VA assumed responsibility for training and educating medical residents and whether VA effectively managed the program.

This report discusses

- VA's authority for carrying out graduate medical education training in its medical facilities,
- the adequacy of VA's policies and regulations in administering the program, and
- the extent that VA monitors the program to assure that it is administered properly.

BACKGROUND

The VA health care system, under the direction of the Department of Medicine and Surgery, is responsible for providing medical care and treatment for the Nation's eligible veterans. As part of this responsibility, VA, through affiliations with medical and health professions schools, has become a major educator of health manpower. In fiscal year 1978, 136 VA medical centers and 38 outpatient clinics were affiliated with 104 medical schools, and 90 VA medical centers were affiliated with 58 schools of dentistry. Also, 171 VA medical centers were engaged in the education and training of students of all other health care professions and occupations in affiliation with one or more universities, schools, and colleges. During the year, 97,272 trainees received all or part of their training in VA facilities. Of these, 22,561 were physicians in residency training programs.

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<sup>1</sup>/The term "residency" as used in this report refers to advanced training in those clinical divisions of medicine, surgery, and special fields which lead to qualification in a given specialty.

VA's Office of Academic Affairs administers VA health manpower training programs, including the graduate medical education training program.

In the United States, medical education requires 3 to 4 years of general college or university studies generally followed by 4 years at a medical school. For graduates wishing to specialize this is followed by from 1 to 7 years of residency training, generally in a hospital. The Liaison Committee on Graduate Medical Education and the appropriate residency review committees are responsible for accrediting residency training programs and approving such programs at hospitals which offer acceptable training in various specialty fields. Also, hospitals conducting or applying for approved residency programs should be accredited by the Joint Commission on Accreditation of Hospitals.

#### Residency training in VA

VA participation in graduate medical education began over 30 years ago. At that time, the VA system and veteran health care were perceived by many to be isolated from the rest of the medical community. VA embarked on a program of affiliations with the Nation's medical schools to address this problem. Through these affiliations VA intended to improve (1) medical care to veterans, (2) the adequacy of the number and the quality of physicians entering VA service, and (3) the contribution of VA to medicine through graduate medical education and medical research. To assist VA in achieving these goals, in January 1946 the Congress enacted Public Law 79-293 (38 U.S.C. 4101). Among other things, the law created the Department of Medicine and Surgery as a separate organization within VA and authorized VA to carry out residency training programs in its facilities. Specifically, the law authorized VA to (1) establish medical residency positions, (2) appoint qualified persons to such positions without regard to civil service rules and regulations, and (3) prescribe employment conditions, including the necessary training and salary provisions.

Following the enactment of Public Law 79-293, VA's affiliation program expanded rapidly, strengthening VA's liaison with medical schools and other health professional training centers. However, until 1972 the primary objective of VA's health manpower training programs, including the graduate medical education program, was strictly limited to providing quality health care for veterans. In

that year the Congress passed the Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972 (Public Law 92-541) to improve VA's ability to train needed health professionals and provide leadership to the Nation's medical community in developing health manpower education and training programs. The following year the Congress passed the Veterans Health Care Expansion Act of 1973 (Public Law 93-82). Among other provisions, section 201 expanded the primary objective of VA's graduate medical education program to assist in providing an adequate supply of health manpower to meet national needs to the extent feasible without interfering with the medical care and treatment of veterans.

The primary objective of VA's participation in residency training programs is to attract physicians and dentists capable of teaching others in their respective specialty fields to VA medical centers' staff positions. While the residency training programs supplement the basic mission of the VA health care delivery system--the care and management of patients--they are directly related to this mission in that they serve to improve the quality of veteran health care. Therefore, physicians in residency training with VA are expected to assist in conducting the professional work of the medical center.

Presently, VA participates in three types of residency training programs--independent, associated, and affiliated. By design, each VA residency program is unique because of the various medical specialties' training requirements and local circumstances of VA medical centers.

Independent programs are accredited in the name of a VA medical center which assumes total responsibility for them. Residents in these programs are paid by VA during their entire training period, and they obtain most of their clinical experience in VA medical centers.

Associated programs are accredited in the name of a non-VA hospital in the community. Affiliated programs are accredited in the name of a medical school. These programs are distinguished from independent programs because primary responsibility for the adequacy of the total training program generally rests with the non-VA associate or affiliate. In these programs residents obtain varying amounts of clinical training in VA and non-VA facilities and are usually paid by VA only when in training, on assignment, and on duty at a VA medical center.

In fiscal year 1978, VA participated in 1,432 residency programs which encompassed all accredited clinical specialties and subspecialties in medicine and surgery, except for pediatrics, gynecology, and obstetrics, for which no VA patient care programs existed. For these and other residency programs, VA-paid residents are rotated to non-VA facilities to obtain a well-rounded education in those phases which might otherwise be considered inadequate in a VA medical center.

During the year VA supported 7,257 full-time equivalent medical resident positions at a cost for salaries alone of about \$119.4 million. Of these, 6,540 positions (91 percent) were allocated to 1,348 programs affiliated and/or associated with a medical school or community hospital. The remaining 717 positions (9 percent) were allocated to 84 independent residency programs.

#### SCOPE OF REVIEW

We reviewed pertinent legislation, policies, regulations, and practices relating to VA's residency training programs, including VA's efforts to develop guidance to assist VA medical centers to administer residency training programs. For academic year 1978 (July 1, 1977, to June 30, 1978), we examined records and reports relating to residency training programs operating in the medical, surgery, and psychiatry services of the Cincinnati, Ohio, VA Medical Center and in the medical and surgery services of the Dayton, Ohio, VA Medical Center.

We interviewed officials at VA central office in Washington, D.C., who were primarily responsible for managing VA's residency education and training activities. We also interviewed officials at the Cincinnati and Dayton VA Medical Centers who were responsible for administering residency training programs in their respective centers.

#### VA REGULATIONS ON ASSIGNMENT AND PAYMENT METHODS OF RESIDENTS ARE NOT CLEAR

The broad legislative authority for employing medical residents in VA facilities has not changed since 1946. However, VA has revised its regulations that govern the pay and assignment of residents several times to accommodate its changing role in residency training. Based on our review, existing VA regulations which cover these areas do not provide definitive guidance to VA medical centers with residency training programs. Without this guidance, a number of VA medical centers have inconsistently applied the regulations.

For example, at the VA medical centers we visited, a variety of situations existed where VA-paid residents were not physically present full time at their assigned VA medical centers. In many cases, these residents were working for significant periods of time without exchange or replacement in community hospitals and elsewhere while in VA-paid status. According to VA central office officials, medical centers which permit these situations to occur have assumed more financial responsibility for the residency training programs than intended by the current VA regulations.

Current VA regulations are  
open to many interpretations

VA has on several occasions revised the regulations which guide VA medical centers in assigning and paying residents. As discussed below, the current regulations are less specific than previous versions and are subject to a wide variety of interpretations and applications.

VA participated primarily in independent residency programs from 1946 until 1957. During this period, VA permitted residents to obtain needed training in non-VA facilities at VA's expense for up to one-half of the total residency training periods. In 1957 VA reduced the maximum time residents in independent programs could spend in non-VA facilities at VA's expense to one-third of the total residency training periods. At that time, VA officials, medical schools, and several medical organizations encouraged VA to expand its participation in affiliated residency training programs to minimize VA's costs by making available university resources to recruit and train residents. Accordingly, from 1957 to 1973 VA gradually reduced the number of independent programs and increased the number of affiliated and associated programs. During this period VA regulations provided that VA would normally pay the salaries of residents in associated and affiliated programs only while they were in training, on assignment, and on duty at a VA medical center.

To reflect the increased number of affiliated and associated residency programs, in 1973 VA revised its regulations. Under the revised regulations VA reiterated its policy of paying residents only when they were in training, on assignment, and on duty at VA medical centers. However, two major exceptions were permitted; namely, the exchange program and the educational detail provisions.

The exchange program refers to the assignment of a VA-paid resident to a non-VA facility to obtain necessary



training and the simultaneous assignment of a resident from that facility to VA on a day-for-day basis. The resident assigned to VA is appointed on a without monetary compensation basis, while the exchanged VA resident continues to be paid by VA. The total number of days served by exchange residents during a fiscal year should equal or exceed the total number of days for which VA-paid residents served in non-VA facilities, according to VA regulations.

An educational detail refers to the assignment of a resident without exchange to a non-VA facility at VA's expense to obtain the necessary supplementary education or training which is an integral part of the residency training for which VA has assumed responsibility.

VA in these regulations did not specify

- whether the exchange program and educational detail provisions applied equally to independent, associated, and affiliated residency programs;
- whether the educational detail provision applied to individual residents or the aggregate number of residents for each specialty program;
- the minimum number of hours residents must be physically present at their assigned VA medical center to receive a full day's pay; or
- which non-VA educational activities residents could participate in while being paid by VA.

In a July 18, 1973, memorandum, VA's Director, Education Service, Office of Academic Affairs, noted that VA revised the regulations because of the decrease in the number of truly independent residency programs and the problems the VA medical centers experienced in administering the various types of residency programs. According to the director's memorandum, these problems included (1) frequent and unjustified VA salary payments to residents in associated and affiliated programs while they were in training at non-VA facilities and (2) objections raised by VA's general counsel and others regarding the exchange and the educational detail provisions. The director noted that the revised procedures

- authorized VA hospitals to combine and interchange residents in the exchange program and on educational detail, and

--reduced the maximum time residents could spend in non-VA facilities at VA's expense from one-third to one-sixth of the total time spent in training with VA--this is known as the one-sixth rule.

According to an official in VA's Office of Academic Affairs, the intent of the 1973 regulations was that the educational detail provision would be invoked in a limited way for independent programs and almost never, if ever, for affiliated and associated programs. The official told us that VA central office anticipated that, once the regulations were fully implemented, use of the educational detail provision would become unnecessary, except in the most unusual circumstances.

According to VA's Assistant Chief Medical Director of Academic Affairs, VA central office has generally assumed that the application by VA medical centers of the one-sixth rule has been consistent and fully documented. However, based on our review of residency programs at the Cincinnati and Dayton, Ohio, VA Medical Centers and data obtained by VA from other centers, these assumptions were not substantiated. We found that these centers have used the educational detail and exchange program provisions so that VA received less services than it paid for.

#### RESIDENCY TRAINING AT CINCINNATI VA MEDICAL CENTER

Since 1954, the Cincinnati VA Medical Center has carried out residency training in affiliation with the University of Cincinnati College of Medicine. In the 1978 academic year the Cincinnati medical center paid about \$1.3 million for 87 resident staff years and received about 80 staff years of service. As discussed below, each service in the medical center interpreted the VA regulations differently when paying and assigning residents. Because of these varied interpretations, some residents provided services in non-VA facilities at VA's expense to a greater extent than intended by VA's regulations. As a result, VA did not receive an equitable amount of resident services for the salaries it paid and, in effect, subsidized the residency training programs at non-VA facilities.

#### Psychiatry service

The Chief of Psychiatry Service told us that the one-sixth rule under the educational detail provision was applied to the total number of residents receiving training in VA,

rather than to each individual resident. He said that the medical center tried to have the VA-paid residents collectively provide at least five-sixths of their paid time in service to VA.

During the 1978 academic year, the psychiatry service paid for about 16 resident staff years and received about 12 resident staff years of service. According to available records, some residents were paid by VA only while assigned to the medical center, and others were paid while assigned to non-VA facilities under the educational detail provision. Specifically, the records showed that

- 13 residents provided 37 months of VA service and were paid only when on duty with VA,

- 10 residents were each paid a full year's salary but were on duty with VA for 8 months each,

- 2 residents were each paid a full year's salary but were on duty with VA for 6 months each,

- 1 resident provided VA about 6 months of service and received 10 months of pay, and

- 1 resident provided VA 4 months of service on a without compensation basis.

Based on available information, the psychiatry service has historically failed to strictly comply with VA regulations on the maximum time VA-paid residents could receive training in non-VA facilities. For example, from about 1957 to 1973 the service permitted VA-paid residents to spend up to 50 percent of their time at the affiliated medical school--a period when VA regulations limited the maximum non-VA training period to one-third of the total residency program and restricted the one-third provision to only independent residency programs. In addition, the Chief of the Psychiatry Service told us that the service did not fully implement the VA regulations issued in 1973 regarding the one-sixth rule until fiscal year 1977. Instead, the service gradually reduced the maximum time VA-paid residents could receive training in non-VA facilities from two-fifths of the total training period in fiscal year 1974 to one-sixth in fiscal year 1977.

#### Medical service

The medical service paid \$647,000 for about 41 resident staff years of service. In six specialty programs, residents

were paid by VA only when they were on duty at the VA medical center. In five others--cardiology, immunology, dermatology, digestive disease, and internal medicine--residents were paid by VA under the exchange program, the educational detail provision, or combinations of both.

According to the Chief of Medical Service, the one-sixth rule meant that for each unit of time a resident was assigned to the medical center, VA would pay for an additional one-sixth of that unit, during which the resident would have no VA patient care responsibilities. In addition, he said the medical service routinely permitted residents to attend educational activities and serve in non-VA clinics at VA's expense.

### Cardiology

Residents in the cardiology section were paid under a combination of the educational detail and the exchange program provisions. During the year VA paid salaries to four residents who worked in the medical center:

| <u>Residents</u> | <u>Months paid by VA</u> | <u>Months on duty at VA</u> |
|------------------|--------------------------|-----------------------------|
| A                | 8                        | a/8                         |
| B                | 12                       | 8                           |
| C                | 4                        | a/6                         |
| D                | <u>12</u>                | <u>8</u>                    |
| Total            | <u>36</u>                | <u>30</u>                   |

a/Includes 2 months served on a without monetary compensation basis.

By applying the one-sixth rule to the entire group of residents, the VA medical center received resident services equal to five-sixths of the total resident salaries paid. However, if the one-sixth rule had been applied to each resident, then residents B and D received more VA pay than permitted by VA regulations and the participating non-VA facilities received resident services at VA's expense.

### Immunology

VA paid two immunology residents a year's salary each, even though each was assigned to the VA medical center for only 6 months. In addition, these residents were not always on duty in VA when assigned because the medical school scheduled essential conferences, clinics, and rounds in non-VA

facilities. Often, these activities coincided with their VA tours of duty. We could not determine how often the residents left VA to participate in these activities because the medical center did not keep detailed time and attendance records. However, if they attended all their scheduled activities, these residents could have been away from the medical center as much as 15 hours each week.

#### Dermatology

The medical center paid four dermatology residents a total of 11 months of salary and, by using a combination of pay provisions, received a total of 11 months of service from six residents. Specifically, VA paid three residents a total of 6 months of salary for the time they were on duty in VA, and one resident 5 months of salary for 1 month of service with VA. To compensate, two exchange residents provided the hospital a total of 4 months of service on a without compensation basis.

#### Digestive disease

Under the exchange program provision, the medical center paid one fourth-year resident 12 months of salary and one third-year resident 11 months of salary. The fourth-year resident paid by VA spent 4 months on duty with VA. The third-year resident paid by VA spent 3 months on duty with VA. In addition four other residents provided 16 months of service without pay.

Also, we noted that the residents were routinely assigned to on-call duty during which they could be called by either the VA medical center or the Cincinnati General Hospital. VA officials told us that the on-call duty schedule was prepared and coordinated by the affiliated medical school.

#### Internal medicine

The medical center paid for about 22 internal medicine resident staff years in return for about 19 resident staff years of service. For these residents, the medical center liberally applied the educational detail provision by paying each resident 36 days of salary for each 30 days of service. For example, a resident assigned to VA for the month of September (30 days) would be paid from September 1 through October 6 (36 days). In effect, the medical center used a one-fifth rule ( $6 \text{ days} \div 30 \text{ days}$ ), rather than a one-sixth rule for residents' non-VA training. In this example, VA subsidized the non-VA facility for 6 days of the resident's salary and received no service in return.

In addition, the VA medical center routinely permitted residents' attendance at the medical school's seminars, lectures, clinics, and rounds at times which often coincided with residents' scheduled VA duty hours. Because adequate time and attendance records were not maintained, we could not determine the extent to which the residents were on duty elsewhere, while being paid by VA.

During the 1978 academic year, 57 internal medicine residents were assigned to the VA medical center. Each resident's VA assignment officially began at noon on the first day and ended at noon of the last day. On the days of rotation, the resident usually did not provide patient care because he/she spent considerable time preparing required administrative paperwork. However, VA paid each resident for a full day on both the first and last day of an assignment because, according to a medical center official, VA regulations prohibit residents from being paid for less than a full day. Because of this practice, the non-VA hospitals received 1 extra day of resident service at VA's expense for each of these 57 residents.

#### Surgery service

The surgery service paid salaries of about \$299,000 for more than 19 resident staff years. These residents were paid only while they were assigned and on duty at the VA medical center.

As in the medical and psychiatry services, surgery residents were routinely permitted to attend essential lectures, seminars, and rounds at non-VA facilities or the affiliated medical school when such training was considered to be beneficial to their professional development. Because detailed time and attendance records were not available, we could not determine the extent that the VA-paid residents were absent from the medical center.

The VA medical center paid for two full-time ophthalmology resident positions which were filled on a rotating basis throughout the year. We found that each week one resident worked 8 hours and the other worked 4 hours at a non-VA hospital clinic while being paid by VA. We were told that in these clinics the residents provided follow-up care to patients they had previously treated while assigned and paid by the non-VA facility.

The Chief of Surgical Service said that the one-sixth rule was not used in the surgery service. He stated that residents' attendance at non-VA clinics and teaching rounds while in VA-pay status was necessary for educational purposes and did not come under the one-sixth rule. He believed these activities were completely proper under VA regulations.

Actions taken by Cincinnati VA Medical Center

As a result of our review:

- (1) The medical service stopped using the one-sixth rule and now pays residents only when they are assigned and on duty at the VA medical center.
- (2) Effective July 1978, the medical center pays a full day's salary to residents for their first or last day, but not both, when assigned to VA.
- (3) Medical center officials agreed to monitor more closely the assignment and payment of all residents to insure that VA receives the services which it pays for.

DAYTON VA MEDICAL CENTER

During academic year 1978 the Dayton VA Medical Center participated in three independent residency programs--internal medicine, surgery, and urology. The medical center paid for 46 resident staff years and received about 41 staff years of service. In each program, residents were detailed to non-VA hospitals for required training that VA could not provide. The medical center applied the one-sixth rule to the total training period of each resident rather than on a yearly basis, without regard to when the resident was detailed to the non-VA hospital. A discussion on how the hospital assigned and paid residents in each service follows.

Internal medicine

Internal medicine residents were paid by VA for 36 months, of which 6 months were spent in a non-VA hospital. During the first year of the program, each resident was assigned and on duty in the VA medical center. The details to the non-VA hospital occurred during either (1) two 3-month tours of duty--one in the second year and another in the third year--or (2) a 6-month tour of duty in the third year.

Surgery

Residents in the 48-month surgery program spent 9 months at a non-VA facility to obtain training not available in VA. In this program the one-sixth rule was applied to the entire 48-month training period for each resident, and the medical center paid for 8 months of the non-VA experience. The non-VA experience took place in two blocks of time--3 months during either the first or the second year and 6 months during the third year.

Urology

Residents in the 36-month urology residency program spent 24 months--the first and third years--in the VA medical center. The residents were assigned to two non-VA hospitals during the second year to obtain required training not available in VA. The VA medical center applied the one-sixth rule to the entire residency training period--one-sixth of 36 months--and paid 30 months of salary to each resident for 24 months of service.

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According to a Dayton VA official, the one-sixth rule should be applied to each resident on a yearly basis because

- VA residents are appointed for 1 year at a time,
- not all residents complete their multiyear residency program requirements, and
- residents often change specialties during the course of their training.

PROGRAM INCONSISTENCIES  
MAY BE SYSTEMWIDE

In discussing our review, VA's Deputy Assistant Chief Medical Director for Academic Affairs stated it is now apparent that any reasonable interpretation of the one-sixth rule currently may be sanctioned. That is, the one-sixth rule could be applied to a day, a week, a month, a year, or an entire residency program. Hence, the range of applications of educational details could be one-sixth of everyday to one-sixth of a total residency program. Until our review VA had not developed information concerning the ways VA medical centers applied the VA regulations, nor had VA central office monitored the resident pay and assignment practices used by



individual centers. VA central office officials generally assumed that VA medical centers were consistently applying the regulations and receiving an equitable amount of residents' services in return for resident salaries paid.

VA's Deputy Assistant Chief Medical Director told us that, under existing regulations, VA's Office of Academic Affairs is not required to monitor the administration of residency programs at the medical center level. He said that the staff and technology required to properly monitor this program would probably not be cost effective. He added that liberal interpretations of these provisions, such as the examples we found at the Cincinnati VA Medical Center, were not typical of the total VA residency program.

Despite this statement, in October 1978, VA central office requested those VA medical centers with residency training programs to provide information on, among other things, (1) their interpretations of VA residency program regulations and (2) documented examples of the ways the regulations have been applied.

In reviewing the VA medical centers' responses, we found a wide variety of interpretations of the regulations. For example

- the North Chicago, Illinois, VA Medical Center accumulates time for educational details over the entire residency training program; that is, a resident in a 5-year program may be detailed to a non-VA facility for 10 consecutive months without a replacement;
- the San Diego, California, VA Medical Center believes that support of educational details is to be shared on a prorated basis between the university hospital and the VA medical center. However, the VA center does not maintain detailed records on the use of the exchange program and educational detail provisions; they are maintained by the affiliated medical school;
- the Boise, Idaho, VA Medical Center requires residents to be physically present at the VA center for only five-sixths of the time for which they are paid; the one-sixth rule is applied on a weekly, monthly, or yearly basis, depending upon residency program characteristics;

- the Buffalo, New York, VA Medical Center applies the exchange program and educational detail provision to the total man-months of VA-paid resident services for the year for each program. The VA Medical Center does not prepare records on the assignment of individual residents and their replacements under the educational detail and exchange program provisions because this is considered to be unnecessary paperwork.
- the Lexington, Kentucky, VA Medical Center advances residents educational detail time so that they may obtain training in non-VA facilities, up to 6 months during their first year; and
- the Des Moines, Iowa, VA Medical Center believes it must receive 10 staff months of service from each full-time resident position paid by VA; also, the salaries paid and services provided by all medical center residents are grouped together, and the center would only expect 130 staff months of service from 13 VA-paid, full-time resident positions.

#### CONCLUSIONS

VA's management of its residency training program needs improvement. Based on our review

- VA regulations relating to the exchange and educational details of residents are not clearly understood, resulting in inconsistent application by those VA medical centers with residency training programs and
- VA does not adequately monitor the various residency programs to assure that they are administered in accordance with VA regulations.

As a result, VA has no assurance that it received an equitable amount of residents' services in return for the salaries it paid. At the VA medical centers we visited, we noted that

- residents were paid by VA while assigned to non-VA facilities for significant periods of time without exchange or replacement;
- residents, while assigned to VA medical centers, often left the centers to provide services or participate in numerous educational activities in non-VA facilities at VA's expense; and

--detailed time and attendance records for residents were not maintained.

We reviewed in detail the residency training programs only at the Cincinnati and Dayton, Ohio, VA Medical Centers. Our limited review, however, prompted VA central office to make a comprehensive mail survey of all VA residency training programs because responsible officials were not aware of the extent of inconsistent interpretations and applications of VA regulations. Based on our preliminary analysis of the VA medical centers' responses, it is clear that the current VA regulations on the assignment and payment of medical residents have been construed in many ways throughout the VA health care system. As a result, many VA centers may have assumed more financial responsibility for training and educating residents than existing VA regulations intended.

To a great extent, the lack of definitive guidance to VA medical centers with residency programs has contributed to the administrative problems we noted during our review. In particular, questions regarding the proper application of the educational detail provision--the one-sixth rule--remain unanswered. VA central office had anticipated that the one-sixth rule would be used primarily for independent residency programs, however, this has not occurred. Instead, the one-sixth rule is being applied in many cases indiscriminately to all three types of VA residency programs. In our opinion, VA should take immediate steps to correct this problem.

VA officials generally have assumed that the VA centers applied the regulations consistently, maintained required records, and received resident services in line with the salaries paid. However, VA has not established a systematic monitoring system of residency training to ensure that individual medical centers are effectively administering their residency programs.

We recognize VA's efforts to gather information on the VA centers' interpretations and applications of VA regulations. We believe that additional efforts should be made to obtain more consistency in administering the program and insure that VA only assumes responsibility for those aspects of residency training required by VA regulations.

RECOMMENDATIONS TO THE  
ADMINISTRATOR OF VETERANS AFFAIRS

We recommend that the Administrator of Veterans Affairs direct the Chief Medical Director to:

- Revise existing regulations to clearly define VA central office and medical center responsibilities for resident training that insure accountability and control by VA medical centers.
- Consider eliminating the use of the educational detail provision for affiliated and associated residency programs.
- Establish an effective monitoring and reporting system to assure that VA medical centers administer their resident training programs consistently and VA receives an equitable amount of resident services in return for salaries paid.
- Take corrective action, as needed, at those medical centers where VA regulations on residency training programs are being inconsistently applied.